

NEW CONSTRUCTION PURCHASE AGREEMENT

This form approved by the North Dakota Association of REALTORS®, which disclaims any liability out of use or misuse of this form. Only REALTORS® licensed in North Dakota are authorized to use this form in compliance with NDAR's Statewide Forms Policy.

1 **DATE:** _____

2 **GOVERNING LAW:** This Purchase Agreement shall be governed by, construed, and interpreted in accordance with the
3 laws of, and under the jurisdiction of, the State of North Dakota and any actions shall be venued in the county in which
4 the majority of the Property is located.

5 **BUILDER(s):** _____, and

6 **BUYER(s):** _____, agree that
7 Builder(s) shall sell, and Buyer(s) shall buy the following described real property ("Property") pursuant to the terms and
8 conditions of this Purchase Agreement and any Addendum(s), Counteroffer(s), Amendment(s), and Exhibit(s), all of which
9 shall constitute the entire Purchase Agreement between Builder(s) and Buyer(s) and supersedes any other written
10 agreements between Builder(s) and Buyer(s). This Purchase Agreement can **ONLY** be modified in writing by a
11 Counteroffer(s), Addendum(s), or Amendment(s) attached and signed by **BOTH** Builder(s) and Buyer(s).

12 **PROPERTY DESCRIPTION:**

13 MLS Listing Number: _____

14 Street Address: _____

15 City: _____ State: _____ Zip Code: _____ County: _____

16 The legal description for the Property is _____
17 _____
18 _____
19 _____

20 **PURCHASE PRICE:** (U.S. Currency)

21 Builder(s) has on this day agreed to sell the above listed Property to Buyer(s) for the purchase price of
22 _____ Dollars \$_____
23 which Buyer(s) agrees to pay in the following manner:

24 ☐ **Cash**

25 If cash, Buyer(s) to provide validated proof of funds by _____, or ☐ **is attached.**

26 ☐ **Contingent Upon Financing**

27 If financing, Buyer(s) shall provide a preliminary loan commitment letter from the Lender by _____,
28 or ☐ **is attached.**

29 ☐ **Contingent Upon Construction Financing**

30 If construction financing, ☐ **Builder's** ☐ **Buyer's** is responsible for securing. If Buyer's responsibility progress
31 payments shall be made by the Buyer(s) to the Builder(s) for work completed as follows:
32 _____

33 Please Note: A preliminary loan commitment letter does not indicate final loan approval.

34 **EARNEST MONEY:** (U.S. Currency)

35 The sum of _____ Dollars (\$_____) from Buyer(s) by

36 (Check one): ☐ **Check** ☐ **Cash** ☐ **EFT/ACH**

37 Earnest money to be received on or before _____

38 and to be deposited into the trust account of (Check one):

39 ☐ **Listing Broker** ☐ **Buyer Broker** ☐ **Other** _____ or ☐ **Released to Builder(s).**

40 Earnest money ☐ **is** ☐ **is not** refundable, except as specified herein ☐ **Other** _____
41 _____

42 If applicable, Buyer(s) agrees to pay additional earnest money of \$_____ due on _____
43 to be deposited and/or released as follows: _____

Buyer(s) Initials _____

Builder(s) Initials _____

44 Builder(s) has the right to terminate this Purchase Agreement if earnest money is not received as agreed herein.
45 If the Buyer(s) fails to provide the preliminary loan commitment letter, or proof of funds, as applicable, or fails to pay the
46 earnest money, by the designated dates, the Builder(s), at Builder's option, shall have the right to terminate this Purchase
47 Agreement, by written notice delivered after the deadline date set forth on Lines 25, 27, 31-32, 37, or 42. If written notice
48 is given by Builder(s), Buyer(s) agrees within two (2) calendar days of receipt of notice of termination from Builder(s) to
49 sign and deliver to Builder(s) a CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any,
50 to ☐ Buyer(s) ☐ Builder(s); provided, a refusal by the Buyer(s) to sign and deliver the CANCELLATION OF
51 PURCHASE AGREEMENT shall not limit the effect of the Builder's decision to terminate the Purchase Agreement.

52 **FINANCING:** (Check one)

53 ☐ Conventional ☐ FHA ☐ VA ☐ USDA ☐ Contract for Deed ☐ Other (Explain) _____

54 Buyer(s) agrees to use best efforts to secure a commitment for such financing and to execute all documents required to
55 consummate said financing. If Buyer(s) cannot secure a commitment prior to closing for such financing, either Buyer(s) or
56 Builder(s) shall have the option of declaring this Purchase Agreement terminated by written notice to the other party. If
57 such written notice is given by the terminating party, the party receiving the notice agrees, within two (2) calendar days
58 of receipt of notice of termination, to sign and deliver to the terminating party a CANCELLATION OF PURCHASE
59 AGREEMENT with release of earnest money, if any, to ☐ Buyer(s) ☐ Builder(s); provided, a refusal by the party
60 receiving the notice to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of
61 the terminating party's decision to terminate the Purchase Agreement.

62 **BUILDER'S CONTRIBUTION TO BUYER'S COST:** (Not to exceed maximum amount allowed by Lender, if applicable.)
63 Builder(s) is contributing \$_____ to Buyer's costs.
64 Buyer(s) may use it at their discretion towards points, buy-down fees including temporary rate buy-downs, prepaid
65 expenses, or other Buyer's costs as allowable by Lender. This may include any Buyer's obligations referred to in this
66 Purchase Agreement. If Buyer(s) does not use all the above stated Builder's contributions, the excess amount may be
67 applied towards special assessments or a reduction of the loan amount or sales price, if allowed by Lender and governing
68 authority.

69 **BROKER COMMISSIONS ARE NOT SET BY LAW AND ARE FULLY NEGOTIABLE.**

70 **BUILDER(s) COMPENSATION TO BUYER'S BROKER:** On behalf of the Buyer(s), Builder(s) agrees to pay Buyer's
71 Broker total compensation of _____ % of purchase price OR \$_____ at closing, which is in addition to any
72 Builder's contribution to Buyer's costs.

73 **FHA ESCAPE CLAUSE (FHA Financing only):** "It is expressly agreed that notwithstanding any other provisions of
74 this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur
75 any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with
76 HUD/FHA or VA requirements a written statement issued by the Federal Housing Commissioner, Department of Veterans
77 Affairs, or a Direct Endorsement Lender, setting forth the appraised value of the property of not less than
78 \$_____. The purchaser shall have the privilege and option of proceeding with consummation of the contract
79 without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum
80 mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value or the
81 condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are
82 acceptable."

83 _____
84 Buyer Signature Date Builder Signature Date

85 _____
86 Buyer Signature Date Builder Signature Date

87 **REAL ESTATE CERTIFICATION (FHA Financing only):** The borrower, builder, and the selling real estate agent or
88 broker involved in the sales transaction certify that the terms and conditions of the sales contract are true to the best of
89 their knowledge and belief and that any other agreement entered into by any of the parties in connection with the real
90 estate transaction is part of, or attached to, the sales agreement.

91 _____
92 Buyer Signature Date Builder Signature Date

93 _____
94 Buyer Signature Date Builder Signature Date

95 _____
96 Selling Agent Signature Date Listing Agent Signature Date

Buyer(s) Initials _____

Builder(s) Initials _____

DEPARTMENT OF VETERANS' AFFAIRS ESCAPE CLAUSE (DVA Financing only): "It is expressly agreed that, notwithstanding any other provisions of this contract, the purchaser shall not incur any penalty by forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the contract purchase price or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs. The purchaser shall, however, have the privilege and option of proceeding with the consummation of this contract without regard to the amount of the reasonable value established by the Department of Veterans Affairs."

_____ Buyer Signature	_____ Date	_____ Builder Signature	_____ Date
_____ Buyer Signature	_____ Date	_____ Builder Signature	_____ Date

THIS SALE INCLUDES:

The following personal property, with no additional monetary value, and free and clear of all liens and encumbrances:

THIS SALE EXCLUDES:

The following property: _____

LABOR AND MATERIALS: Builder(s) agrees to furnish labor and materials for the construction in substantial conformance with plans and specifications furnished by ☐ **Builder(s)** ☐ **Buyer(s)** ☐ **Other** _____, a copy of which is attached or is to be approved in writing by Buyer(s) prior to the start of construction. If plans are provided by Buyer(s), Buyer(s) will indemnify, defend and hold harmless Brokers/Agents from any claims or liability relating to any alleged copyright infringements or violations of intellectual property rights related to the plans. This includes attorney's fees and costs.

CHANGES IN SPECIFICATIONS: Any significant changes in the plans and specifications must be approved in writing by both parties, by change order, any increase or decrease in the purchase price caused by such change. Unless otherwise agreed in writing, any such increase or decrease shall be reflected as an adjustment in cash at ☐ **execution of the change order** ☐ **closing**.

SALE OF BUYER'S PROPERTY: (Check one)

☐ This Purchase Agreement is subject to the sale of Buyer's property. If checked, see attached SALE OF BUYER'S PROPERTY CONTINGENCY ADDENDUM.

☐ This Purchase Agreement is contingent upon the successful closing of Buyer's property which is currently under contract and located at:

Street Address: _____

City: _____ State: _____ Zip Code: _____ County: _____

scheduled to close on _____. If Buyer's property does not close by the closing date specified in this Purchase Agreement, the Builder(s), at Builder's option, shall have the right to terminate this Purchase Agreement, by written notice delivered after the date set forth on Line 132. If written notice is given by Builder(s), Buyer(s) agrees, within two (2) calendar days of receipt of notice of termination from Builder(s), to sign and deliver to Builder(s) a CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any, to ☐ **Builder(s)** ☐ **Buyer(s)**; provided, a refusal by the Buyer(s) to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of the Builder's decision to terminate the Purchase Agreement.

☐ Buyer(s) represents that Buyer(s) has the financial ability to perform on this Purchase Agreement without the sale or closing of any property.

CLOSING AND POSSESSION:

Closing is to be on or before _____.

The construction will be ready for occupancy, subject to delays in the progress of construction due to strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties, inclement weather or any cause beyond Builder's control in the completion of the construction. Builder(s) shall deliver possession of the Property immediately following closing unless otherwise specified. If for any other reason closing is delayed by Buyer(s) or Builder(s), either party shall have the option of assessing costs as follows: _____.

Buyer(s) Initials _____ Builder(s) Initials _____

148 **FINAL WALK THROUGH:** Builder(s) will provide to Buyer(s) a Certificate of Occupancy prior to closing. Buyer(s) has
149 a right to walk through the Property prior to closing with the Builder(s) or Builder's representative and to hire, at Buyer's
150 expense, an independent inspector. Buyer(s) agrees to pay for final inspection(s) required by the Lender or Appraiser.
151 Any additional inspections necessary because of delays by Builder(s) will be paid for by Builder(s). Additional inspections
152 required due to changes requested by Buyer(s) will be paid for by Buyer(s).

153 **REAL ESTATE TAX AND SPECIAL ASSESSMENT NOTICE:** If Builder(s) has received any such notice regarding
154 any new improvement project from any assessing authorities prior to closing, Builder(s) must immediately notify Buyer(s)
155 of the notice. Builder(s) and Buyer(s) may then agree in writing, before the date of closing, to the payment terms of the
156 notified assessments. In the absence of such an agreement, Buyer(s) shall have the right to terminate this Purchase
157 Agreement, by written notice delivered to the Builder(s). If such written notice is given, the Builder(s) agrees within two
158 (2) calendar days of receipt of notice of termination to sign and deliver to Buyer(s) a CANCELLATION OF PURCHASE
159 AGREEMENT with release of earnest money, if any, to ☐ Builder(s) ☐ Buyer(s); provided, a refusal by Builder(s) to
160 sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of Buyer's decision to
161 terminate the Purchase Agreement. Following closing, Buyer(s) shall pay all real estate taxes and any unpaid special
162 assessments payable therewith and thereafter, for which payment is not otherwise provided. It is understood future
163 general taxes and special assessments are only estimates.

164 **Buyer(s) should make an independent inquiry regarding taxes and special assessments.**

165 **Buyer(s) should be aware that there may be preferential property tax treatment(s) or tax abatement(s) on**
166 **this Property which may affect the tax proration.**

167 **No representations have been made concerning the amount of subsequent real estate taxes or special**
168 **assessments.**

169 **REAL ESTATE TAXES:** Builder(s) shall pay on the date of closing all real estate taxes due and payable in all prior years
170 including all penalties and interest. The ☐ Gross ☐ Discounted annual real estate taxes to be paid for the year of
171 closing shall be prorated as of the date of closing or _____ between Buyer(s) and Builder(s) based upon
172 the most current certified tax information available, if estimated tax amounts are not available in writing,
173 or _____.

174 **SPECIAL ASSESSMENTS:** Builder(s) shall pay on the date of closing all special assessments due and payable in all
175 prior years including all penalties and interest.

176 **Annual installments** to be paid for the year of closing shall be ☐ Prorated as of the date of closing ☐ Assumed by
177 **the Buyer(s) ☐ Paid by the Builder(s) or ☐ Other** _____.

178 **Remaining Balance** (Balance unpaid including interest): ☐ Buyer(s) shall assume remaining balance as of the date
179 closing; and any future assessments. ☐ Builder(s) shall pay remaining balance on the date of closing.
180 ☐ Other _____.

181 **Work In Progress/Pending/Proposed (Including interest):** If applicable, the Buyer(s) shall assume the balance of
182 work in progress, pending or proposed.

183 **PRO-RATA ADJUSTMENTS:** All charges for water, sewer, electricity, natural gas, homeowner's
184 association/condominium dues and rents shall be prorated between the parties as of the closing date. Builder(s) to transfer
185 security deposit and interest, if any, on leases to Buyer(s) at closing.

186 **SIGHT UNSEEN CONDITION:** Buyer(s) intends to purchase Property sight unseen: ☐ Yes ☐ No If "Yes," see
187 attached SIGHT UNSEEN ADDENDUM.

188 **INSPECTIONS AND INVESTIGATIONS:** Buyer(s) is advised by Broker(s)/Agent(s) to obtain inspections and
189 investigations as allowed in the Contingencies section. Buyer(s) acknowledges that Buyer(s) should make inquiries and
190 consult government agencies, lenders, insurance agents, architects, and other appropriate persons and entities concerning
191 the use of the Property and the surrounding areas under applicable building, zoning, fire, health, and safety codes, and for
192 evaluation of potential hazards. Buyer(s) shall keep the Property free and clear of liens, shall indemnify and hold Builder(s)
193 harmless from all liability, claims, demands, damages, and costs, and shall be responsible for repair of all damages arising
194 from the inspections. Buyer(s) waives any claim for an item warranted by the Builder(s) if Buyer(s) becomes aware of such
195 claim during the Inspection Period and does not notify the Builder(s) in writing of such. Buyer(s) specifically releases,
196 holds harmless, and indemnifies Broker(s) from any liability for any defects in the Property. If Buyer(s) requests repairs,
197 Buyer(s) shall provide Builder(s) and Broker(s) upon receipt, at no cost, copies of referenced reports, if any, concerning the
198 Property obtained by Buyer(s).

199 All inspections and/or tests shall be done by inspector(s) or tester(s) of Buyer's choice, at Buyer's sole expense. Inspector(s)
200 or tester(s) should be qualified to do the inspections and/or tests. If a home inspector is used in North Dakota, the home

Buyer(s) Initials _____

Builder(s) Initials _____

201 inspector must be registered through the State of North Dakota. The qualifications of other inspector(s) or tester(s) must
 202 be evidenced by any applicable license or professional designation. Buyer(s) shall not have the right to do intrusive testing
 203 without the prior written authorization of Builder(s). For purposes of this form, "intrusive testing" shall mean any testing,
 204 inspection or investigation that changes the Property from its original condition or otherwise damages the Property.
 205 Inspections and/or tests may include but are not limited to the following: electrical system, plumbing system, central
 206 cooling system, central heating system, ceilings, floors, basement, foundation, walls, windows, exterior, roof, radon, mold,
 207 and asbestos.
 208 Builder(s) will provide access to attic(s) and crawlspace(s).

209 **CONTINGENCIES:**

210 The enforceability of this Purchase Agreement is subject to the satisfaction of all those contingencies which are initialed
 211 below by both parties.

212 Buyer(s) shall have the option to negotiate defects, waive the contingency or terminate the Purchase Agreement upon the
 213 completion of each contingency. If Buyer(s) fails to complete contingencies and/or notify the Builder(s) by 11:59 pm on the
 214 date stated in the Completion Date column, the contingency shall be deemed removed and the Purchase Agreement shall
 215 be in full force and effect. If Builder(s) is obligated to provide documents to Buyer(s), the contingency completion date for
 216 that contingency shall be extended so that Buyer(s) has 72 hours following receipt of all such documents within which to
 217 deliver a resolution or notice of termination.

218 If such written notice is given by the party who has the right to give notice, the party receiving the notice agrees, within
 219 two (2) calendar days of receipt of notice of termination, to sign and deliver to the terminating party a CANCELLATION
 220 OF PURCHASE AGREEMENT with release of earnest money, if any, to ☐ Builder(s) ☐ Buyer(s) ; provided, a refusal
 221 by the party receiving the notice to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit
 222 the effect of the terminating party's decision to terminate the Purchase Agreement.

223 **CONTINGENCIES:**

Buyer(s) and Builder(s) Must Initial All Applicable Contingencies	Buyer(s) Initials	Builder(s) Initials	Completion Date
1. Builder's Disclosure: Builder(s) shall provide <input type="checkbox"/> SELLER'S PROPERTY DISCLOSURE <input type="checkbox"/> VACANT LAND DISCLOSURE. If Buyer(s) does not approve the disclosure(s), Buyer(s) has the option to terminate this Purchase Agreement.			
2. Inspections: Buyer(s) to complete such inspections, as may be desired by Buyer(s). Builder(s) agrees to make Property available for inspections and, at Builder's expense, to have all utilities on, including any propane, at the time of inspections; however, if this box is checked <input type="checkbox"/> , utilities can be turned off. If Buyer(s) does not approve the results of the inspections, Buyer(s) has the option to terminate this Purchase Agreement.			
3. Water Quality Test: <input type="checkbox"/> Builder(s) <input type="checkbox"/> Buyer(s) shall obtain a water quality test, and the cost of the test shall be paid by the <input type="checkbox"/> Builder(s) <input type="checkbox"/> Buyer(s) <input type="checkbox"/> Split equally. If Buyer(s) does not approve the results of the water quality test, Buyer(s) has the option to terminate this Purchase Agreement.			
4. Septic System/Sewer Inspections: <input type="checkbox"/> Builder(s) <input type="checkbox"/> Buyer(s) shall pay to have a Septic System/Sewer inspection performed. For the inspections to be performed, <input type="checkbox"/> Builder(s) <input type="checkbox"/> Buyer(s) shall pay to have the septic tank pumped. If Buyer(s) does not approve the results of the septic system/sewer inspections, Buyer(s) has the option to terminate this Purchase Agreement.			
5. Soil Tests: Buyer(s) to obtain soil tests and percolation tests at <input type="checkbox"/> Buyer's expense <input type="checkbox"/> Builder's expense. If Buyer(s) does not approve the test results, Buyer(s) has the option to terminate this Purchase Agreement.			
6. Lead-Based Paint Disclosure: Builder(s) to provide LEAD-BASED PAINT DISCLOSURE (for structure(s) originally built prior to 1978 only). If Buyer(s) does not approve LEAD-BASED PAINT DISCLOSURE, Buyer(s) has the option to terminate this Purchase Agreement.			

Buyer(s) Initials _____

Builder(s) Initials _____

Buyer(s) and Builder(s) Must Initial All Applicable Contingencies	Buyer(s) Initials	Builder(s) Initials	Completion Date
7. Insurance Claims Loss History: <input type="checkbox"/> Builder(s) shall provide <input type="checkbox"/> Buyer(s) shall obtain insurance claims loss history report. (Note: Reports may be limited to ownership period and/or by insurance company.) If Buyer(s) does not approve claims loss history report and/or cannot obtain insurance coverage, Buyer(s) has the option to terminate this Purchase Agreement.			
8. Insurance Adjuster's Report: Builder(s) to provide copies of any insurance adjuster's reports for insurance claims during Builder(s) ownership, if any. (Note: Reports may be limited to ownership period and/or by insurance company.) If Buyer(s) does not approve insurance adjuster's reports, Buyer(s) has the option to terminate this Purchase Agreement.			
9. Flood Plain: Buyer(s) to obtain flood plain verification. If Buyer(s) does not approve the results of the flood plain verification, Buyer(s) has the option to terminate this Purchase Agreement.			
10. Homeowner's Association/Condo Documents: Builder(s) to provide current copies of the Homeowner's Association/Condo by-laws and amendments, regulations, most recent financial statement, and minutes of the last two meetings. If Buyer(s) does not approve these documents, Buyer(s) has the option to terminate this Purchase Agreement.			
11. Leases: Builder(s) to provide copies of all current leases to Buyer(s). If Buyer(s) does not approve the leases, Buyer(s) has the option to terminate this Purchase Agreement.			
12. Registered Sex Offenders: MEGAN'S LAW DISCLOSURE: If Buyer(s) desires to obtain information regarding persons required to register as sexual offenders under North Dakota Law, Buyer(s) must contact the ND Attorney General's office or access the Attorney General's website at http://www.sexoffender.nd.gov/ . Buyer(s) to investigate the possibility of the presence of registered sex offenders in the vicinity of the Property. If Buyer(s) does not approve the findings regarding registered sex offenders, Buyer(s) has the option to terminate this Purchase Agreement.			
13. Restrictions and Covenants: Buyer(s) to review any government and/or private use restrictions and restrictive covenants. If Buyer(s) does not approve the use restrictions or covenants, Buyer(s) has the option to terminate this Purchase Agreement.			
14. Lot Dimensions: Buyer(s) to verify property lines, acres, square footage etc. If Buyer(s) does not approve the findings, Buyer(s) has the option to terminate this Purchase Agreement.			
15. Survey: Buyer(s) to obtain a survey of the Property, conducted at <input type="checkbox"/> Buyer's expense <input type="checkbox"/> Builder's expense <input type="checkbox"/> Split equally . If Buyer(s) does not approve the results of the survey, Buyer(s) has the option to terminate this Purchase Agreement.			
16. Plans and Permits: Buyer(s) to obtain all necessary plans and permits for one or more of the following purposes: building plans and specifications, proposed subdivision development plans, rezoning or use permits, approval of building plans and/or specification in accordance with any recorded subdivision covenants, and approval of the architectural control committee. If Buyer(s) does not obtain or approve said plans and permits, Buyer(s) has the option to terminate this Purchase Agreement.			

APPRAISAL:

This Purchase Agreement ☐ is ☐ is not contingent upon an appraisal.

If the Purchase Agreement is not contingent upon an appraisal, it is understood an appraisal may still be completed and Buyer(s) will be solely responsible for bringing any cash needed if the value is less than the agreed upon purchase price and/or to cover any appraisal required work order expenses.

APPRAISAL VALUE: If the Purchase Agreement is contingent upon an appraisal and the Property appraises for less than the purchase price, Buyer(s) shall have the option of (a) proceeding with consummation of the Purchase Agreement without regard to the amount of the appraised valuation; or (b) re-negotiating; or (c) declaring this Purchase Agreement terminated by written notice to Builder(s). If such written notice is given, the Builder(s) agrees, within two (2) calendar

Buyer(s) Initials _____

Builder(s) Initials _____

days of receipt of notice of termination to sign and deliver to Buyer a CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any, to ☐ **Builder(s)** ☐ **Buyer(s)**; provided, a refusal by Builder(s) to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of the Buyer's decision to terminate the Purchase Agreement.

APPRAISAL WORK ORDERS: Nothing in this Purchase Agreement shall be construed as a warranty that Builder(s) will make repairs required by the appraisal work order. Builder(s) shall have the following options: (a) make the necessary repairs; or (b) negotiate the cost of making said repairs with Buyer(s); or (c) refuse to make any repairs. At which time the Buyer(s) shall have the option of declaring this Purchase Agreement terminated by written notice to Builder(s). If such written notice is given, the Builder(s) agrees, within two (2) calendar days of receipt of notice of termination, to sign and deliver to Buyer(s) a CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any, to ☐ **Builder(s)** ☐ **Buyer(s)**; provided, a refusal by Builder(s) to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of the Buyer's decision to terminate the Purchase Agreement.

APPRAISAL RE-INSPECTION: Re-inspection fee(s), if any, shall be paid by ☐ **Buyer(s)** ☐ **Builder(s)** ☐ **Buyer(s) and Builder(s)** to split fee(s) equally ☐ **N/A**.

MATERIAL FACTS: Builder(s) acknowledges a duty to disclose all material facts about which Builder(s) is aware and which could adversely and significantly affect Buyer's use and enjoyment of the Property.

NOTICE AND OPPORTUNITY TO REPAIR: North Dakota law requires that Builder(s) provide a "Notice and Opportunity to Repair" to Buyer(s) at the time of closing (N.D. Cent. Code § 43-07-26). This notice requires that Buyer(s) must give Builder(s) written notice of any defect within six months of discovery to give Builder(s) an opportunity to correct the defect if it is under warranty.

SOLE WARRANTY: Builder(s) provides a limited warranty that the constructed improvements to the Property will be free from defects in workmanship and materials for a period of one (1) year from the date of closing.

DEED/MARKETABLE TITLE:

Upon performance by Buyer(s), Builder(s) shall deliver a ☐ **Warranty Deed** ☐ **Other** _____ conveying marketable title, subject to:

- (a) Building and zoning laws, ordinances, state and federal regulations;
- (b) Restrictions relating to use or improvement of the Property;
- (c) Prior reservation of any mineral rights;
- (d) Easements of record;
- (e) Minerals: In accordance with North Dakota Century Code, unless specifically excluded, Minerals Transfer with the surface estate, or ☐ **Builder(s) reserves mineral rights** presently owned by Builder(s). Buyer(s) and Builder(s) are advised to seek independent legal counsel, prior to the final acceptance of this Purchase Agreement;
- (f) Rights of Tenants as follows (unless specified, not subject to tenancies): _____

TITLE AND EXAMINATION: Builder(s), at Builder's expense, shall furnish an abstract of title certified to a current date, compiled pursuant to the NDLTA Abstracting Standards Manual OR a current ALTA Standard Coverage Owner's title commitment. If, after examination, Builder's title is not insurable or free of defects and cannot be made so by closing, Buyer(s), at Buyer's option, shall have the right to terminate this Purchase Agreement by written notice to Builder(s). If such written notice is given, the Builder(s) agrees, within two (2) calendar days of receipt of notice of termination, to sign and deliver to Buyer(s) a CANCELLATION OF PURCHASE AGREEMENT with release of earnest money, if any, to ☐ **Builder(s)** ☐ **Buyer(s)**; provided, a refusal by Builder(s) to sign and deliver the CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of the Buyer's decision to terminate the Purchase Agreement. However, Buyer(s) may waive defects and elect to purchase.

Builder(s) to pay Abstracting or Searching Fees.

Buyer(s) to pay Attorney's Title Examination Fee and Lender Policy of Title Insurance, as applicable.

The Owner's Policy of Title Insurance, when an abstract is not available, shall be paid by

☐ **Builder(s)** ☐ **Buyer(s)** ☐ **Split equally** ☐ **N/A**

Settlement Company Fee is to be divided equally by Builder(s) and Buyer(s) (if using the same Settlement Company) unless not allowed by Lender.

Buyer(s) Initials _____

Builder(s) Initials _____

284 **BUILDER(s) WARRANTIES:**

- 285 (a) that buildings are, or will be, constructed entirely within the boundary lines of the Property;
 286 (b) there is a right of legal access to the Property;
 287 (c) that Builder(s) has not received any notice from any governmental authority as to violation of law, ordinance, or
 288 regulation for a condition that remains uncorrected;
 289 (d) that prior to closing, payment in full will have been made for all labor, materials, machinery, fixtures, or tools
 290 furnished within the 90 days immediately preceding the closing in connection with construction, alteration, or
 291 repair of any structure on, or improvement to, the Property;
 292 (e) if Property is subject to restrictive covenants, Builder(s) has not received any notice from any person or authority
 293 as to a breach of the covenants which remains uncorrected. Any notices received by Builder(s) will be provided to
 294 Buyer(s) immediately.
 295 (f) to the best of the Builder's knowledge, there are no hazardous substances or underground tanks unless otherwise
 296 noted in this Purchase Agreement.
 297 (g) Builder(s) warrants that all appliances, heating, air conditioning, wiring and plumbing systems used and located
 298 on the Property will be in working order on the date of closing, except as disclosed by Builder(s).
 299 (h) Builder(s) warrants that the Property is/will be directly connected to:
 300 City Sewer: ☐ Yes ☐ No ☐ Private;
 301 City Water: ☐ Yes ☐ No;
 302 Well: ☐ Yes ☐ No;
 303 Rural Water: ☐ Yes ☐ No. If rural, will membership be transferred? ☐ Yes ☐ No ☐ N/A

304 All Builder(s) warranties in Lines 285-303 shall survive the delivery of the deed or contract for deed.

305 **SUBDIVISION OF LAND:** If this sale constitutes or requires a subdivision of land owned by Builder(s), Builder(s) shall
 306 pay all subdivision expenses and obtain all necessary governmental approvals. Builder(s) warrants the legal description
 307 of the real property to be conveyed has been or will be approved for recording as the date of closing.

308 **INSURANCE:** Builder(s) agrees to carry public liability, Builder's risk, fire and extended coverage during construction.
 309 Buyer(s) agrees to obtain insurance coverage satisfactory to Buyer's lender upon closing.

310 **AGENCY DISCLOSURE:**

311 _____ of _____
 312 Agent Printed Name Brokerage Firm
 313 Is representing: ☐ Buyer(s) ☒ Builder(s) ☐ Both Parties ☐ Neither Party

314 _____ of _____
 315 Agent Printed Name Brokerage Firm
 316 Is representing: ☐ Buyer(s) ☐ Builder(s) ☐ Both Parties ☐ Neither Party

317 **APPOINTED AGENCY REPRESENTATION:**

318 Appointed Agency ☐ does ☐ does not apply.

319 **DUAL AGENCY REPRESENTATION (SIGN ONLY IF APPLICABLE):**

320 If applicable, Broker represents both the Builder(s) and the Buyer(s) of the Property involved in this transaction, which
 321 creates Dual Agency. This means that Broker and Agent(s) owe fiduciary duties to both Builder(s) and Buyer(s). Because
 322 the parties may have conflicting interests, Broker and its Agent(s) are prohibited from advocating exclusively for either
 323 party. Broker cannot act as a Dual Agent in this transaction without consent of both Builder(s) and Buyer(s). Builder(s)
 324 and Buyer(s) acknowledge that:

- 325 a) Confidential information communicated to Broker which regards price, terms, or motivation to buy or sell will
 326 remain confidential unless Builder(s) or Buyer(s) instructs Broker in writing to disclose this information. Other
 327 information will be shared.
 328 b) Broker and its Agent(s) will not represent the interest of either party to the detriment of the other; and
 329 c) within the limits of Dual Agency, Broker and the Agent(s) will work diligently to facilitate the mechanics of the
 330 sale. With the knowledge and understanding of the explanation above, Builder(s) and Buyer(s) authorize and
 331 instruct Broker and its Agent(s) to act as Dual Agent's in this transaction.

332
 333 Buyer Signature _____ Date _____ Builder Signature _____ Date _____
 334
 335 Buyer Signature _____ Date _____ Builder Signature _____ Date _____
 Buyer(s) Initials _____ Builder(s) Initials _____

336 **RISK OF LOSS:** If there is any loss or damage to the Property between the date hereof and the date of closing for any
337 reason, including fire, vandalism, flood, earthquake, or act of God, the risk of loss shall be on Builder(s). If the Property is
338 destroyed or substantially damaged before the closing date, this Purchase Agreement may be terminated at Buyer's option,
339 by written notice to Builder(s). If such written notice is given, the Builder(s) agrees, within two (2) calendar days of receipt
340 of notice of termination, to sign and deliver to Buyer(s) a CANCELLATION OF PURCHASE AGREEMENT with release
341 of earnest money, if any, to ☐ Builder(s) ☐ Buyer(s); provided, a refusal by Builder(s) to sign and deliver the
342 CANCELLATION OF PURCHASE AGREEMENT shall not limit the effect of the Buyer's decision to terminate the
343 Purchase Agreement.

344 **HOMEOWNER'S ASSOCIATION:** Is the Property subject to a Homeowner's Association? ☐ Yes ☐ No If "No," skip to
345 Line 349.

346 Builder(s) ☐ has ☐ has not received any notice to be levied against the Property related to work in progress, pending
347 assessments, proposed assessment projects and or deferred assessments by any Homeowner's Association.

348 Builder(s) agrees that any notices received by the Builder(s) prior to closing will be forwarded to the Buyer(s) immediately.

349 **DEBRIS/PERSONAL PROPERTY:** Unless otherwise agreed to in writing, prior to possession, Builder(s) agrees to
350 remove all debris and all personal property, not herein included. If Builder(s) fails to remove all debris and all personal
351 property, then the Buyer(s) shall have the right to remove and dispose of all such remaining property, and the Builder(s)
352 shall be responsible to reimburse the Buyer(s) for all expenses incurred in such removal and disposal.

353 **LINKED DEVICES:** Builder(s) warrants that Builder(s) shall permanently disconnect or discontinue Builder's access or
354 service to any device or system on or serving the Property that is connected or controlled wirelessly, via internet protocol
355 ("IP") to a router or gateway or directly to the cloud no later than delivery of possession as specified in this Purchase
356 Agreement.

357 **DEFAULT:** If Builder's title is marketable or insurable and Buyer(s), contrary to this Purchase Agreement, fails, neglects
358 or refuses to complete the Purchase by the closing date then, at Builder's option, either the earnest money shall be forfeited
359 to Builder(s) as liquidated damages, since the parties agree the calculation of damages to Builder(s) would be difficult to
360 ascertain with certainty and since parties further agree that the amount of liquidated damages is a reasonable attempt to
361 estimate damages which will be suffered by the Builder(s), and this Agreement thereupon shall be of no further binding
362 effect; **OR** Builder(s) may demand and pursue any and all other remedies including but not limited to actual damages or
363 specific performance of this Purchase Agreement.

364 If Builder(s), contrary to this Purchase Agreement, fails, neglects, or refuses to perform as agreed, Buyer(s) may demand
365 and pursue any and all remedies including, but not limited to, specific performance of this Purchase Agreement.

366 If the closing of this Property has not occurred by the designated closing date, then a breach of contract has occurred. The
367 Buyer(s) and Builder(s) shall have the following options to reconcile the breach:

- 368 1) All parties shall sign an amendment with a new agreed upon closing date.
369 2) All parties shall sign a CANCELLATION OF PURCHASE AGREEMENT.
370 3) Either party shall have the option to give written notice of termination due to the default of the Purchase
371 Agreement and, as applicable, to pursue other available remedies.

372 A claim of either party for specific performance, or the Builder's claim to the earnest money as liquidated damages, shall
373 be waived, unless legal proceedings are commenced within three (3) months after scheduled date of closing or
374 CANCELLATION OF PURCHASE AGREEMENT or NOTICE OF TERMINATION OF PURCHASE AGREEMENT is
375 delivered. If the Builder(s) does not deliver copies of documents evidencing the Builder's commencement of legal
376 proceedings to claim the earnest money to the Broker or to the entity as referenced in Line 39 who has possession of the
377 earnest money within said three (3) month time period, then that Broker or the entity shall be authorized to return the
378 earnest money to the Buyer(s), free of any claim by Builder(s). Retention of earnest money in any Broker's or entity's trust
379 account pending resolution of the default shall not constitute an election of remedies by either party or prejudice their
380 rights to pursue any and all other remedies including, but not limited to, specific performance.

381 **DISCLOSURE OF SALE TERMS:** Buyer(s) and Builder(s) understand that after closing, the MLS may be notified of
382 the price and terms of the sale. Terms of the sale are recorded and may become public record.

383 **LIENS:** Liens filed within ninety (90) days of completion of work on the Property maintain priority. Liens may be filed
384 after that 90-day period.

385 **SUBCONTRACTORS AND/OR MATERIAL SUPPLIERS:** Builder(s) reserves the right to select and supervise all
386 subcontractors performing work under this Agreement. All subcontractor billings and payments shall be handled by the
387 Builder(s). Buyer(s) agrees not to interfere with or issue instructions to work forces, nor to contact for additional work
388 with contractors or subcontractors except with Builder's written permission, if permission is granted.

Buyer(s) Initials _____

Builder(s) Initials _____

389 **IMPORTANT HEALTH NOTICE:** Some of the building materials used in construction (or these building materials)
390 emit formaldehyde. Eye, nose, and throat irritation, headache, nausea, and a variety of asthma-like symptoms, including
391 shortness of breath, have been reported as a result of formaldehyde exposure. Elderly persons and young children, as well
392 as anyone with a history of asthma, allergies or lung problems, may be at risk. Research is continuing on the possible
393 long-term effects of exposure to formaldehyde.

394 Reduced ventilation may allow formaldehyde and other contaminants to accumulate in the indoor air. High indoor
395 temperatures and humidity raise formaldehyde levels. When construction is to be in areas subject to extreme summer
396 temperatures, an air-conditioning system can be used to control indoor temperature levels. Other means of controlled
397 mechanical ventilation can be used to reduce levels of formaldehyde and other indoor air contaminants. If you have any
398 questions regarding health effects of formaldehyde, consult your doctor or local health department.

399 **BUILDER'S RADON DISCLOSURE STATEMENT FOR EXISTING NEW CONSTRUCTION:**

400 **Radon Warning Statement:** Homes in the area may have radon gas levels that exceed EPA standards. If you have
401 concerns about radon, you may want to consider having the property inspected before entering into a contract to purchase
402 or making the inspection a condition of your purchase. For additional information, visit the EPA website:
403 www.epa.gov/radon.

404 Has the Property been tested for radon? ☐ Yes ☐ No

405 Are you aware of any radon concentrations in the Property? ☐ Yes ☒ No

406 If Yes, attach the most current records and reports pertaining to radon concentrations, mitigation or remediation. If a
407 mitigation system has been installed, include the system description and documents.

408 **BUILDER'S RADON DISCLOSURE STATEMENT FOR NEW CONSTRUCTION TO BE BUILT:**

409 During the construction process there are various options to mitigate the risk of exposure to radon gas from entering the
410 structure(s). Radon-resistant construction combines common building techniques and materials to seal entry points and
411 route the gases outdoors, helping to prevent radon from entering the structure(s). If Buyer(s) has concerns regarding radon
412 gas, Buyer(s) should consult Builder(s).

413 **BUILDER(S) HEREBY FURTHER WARRANTS THE PROPERTY AS FOLLOWS:**

414 _____
415 _____
416 _____
417 _____
418 _____
419 _____
420 _____
421 _____
422 _____

423 **ADDITIONAL PROVISIONS:**

424 _____
425 _____
426 _____
427 _____
428 _____
429 _____
430 _____
431 _____
432 _____

433 **ENTIRE AGREEMENT:** This Purchase Agreement, any attached exhibits, and any addendums or amendments signed
434 by the parties shall constitute the entire Purchase Agreement between Builder(s) and Buyer(s). There are no verbal or
435 other agreements which modify or affect this Purchase Agreement. This Purchase Agreement can be modified only in
436 writing signed by Builder(s) and Buyer(s). Buyer(s) may not assign this Purchase Agreement without Builder's written
437 consent. This Purchase Agreement is binding on Builder's heirs and assigns. It is understood that the Listing
438 Broker(s)/Listing Agent(s) AND Selling Broker(s)/Selling Agent(s) are acting as agents only in bringing the Buyer(s) and
439 Builder(s) together, that all agreement(s) to be enforced between the parties are set forth in this Purchase Agreement, and
440 that the Broker(s) and Agent(s) are not liable to either party for claimed statements or promises not in the Purchase
441 Agreement or for the performance or non-performance of any term or promise in this Purchase Agreement between the
442 parties.

Buyer(s) Initials _____

Builder(s) Initials _____

443 **OTHER PROFESSIONAL SERVICES:** Builder(s) and Buyer(s) in this transaction acknowledge the Broker(s) and
444 Agent(s) are being retained solely as a real estate Agent(s) and not as an attorney, lender, inspector, or appraiser, or any
445 other professional service provider. Builder(s) and Buyer(s) are advised to seek professional advice concerning any of these
446 additional matters.

447 **ELECTRONIC SIGNATURES:** The parties agree that the electronic signatures of either party on any document relating
448 to this transaction constitutes a valid and binding Agreement.

449 **CONTINUE TO SHOW:**

450 Builder(s) has the right to continue to offer the Property for sale for backup offers only.

451 ☐ **THIS IS A BACKUP OFFER.** See BACKUP OFFER ADDENDUM.

452 **TIME OF ESSENCE:**

453 Time is of the essence in this Purchase Agreement. This means that all completion dates are intended to be strict and
454 absolute.

455 Reference to times in this Purchase Agreement is based on ☐ CT ☐ MT.

456 References to “day” or “days” in this Purchase Agreement shall be construed as calendar days.

457 This Purchase Agreement shall remain available for acceptance by Builder(s), on or before _____ at
458 _____ ☐ AM ☐ PM, or until revoked by Buyer(s) prior to Builder’s acceptance.

459 **FINAL ACCEPTANCE:**

460 To be binding, this Purchase Agreement must be fully executed by both parties and acceptance must be communicated by
461 delivery of fully executed Purchase Agreement.

462 **Buyer(s):**

463 Buyer(s) is entering into this Purchase Agreement with the intent to Wholesale? ☐ Yes ☐ No If Yes, see WHOLESALING
464 ADDENDUM.

465 Buyer(s) agrees to purchase the Property for the price, terms, and conditions as set forth above. Buyer(s) has reviewed and
466 understands all pages of this Purchase Agreement.

467 _____
468 Buyer Signature Date Buyer Signature Date

469 **Builder(s):**

470 Builder(s) accepts this Purchase Agreement. Builder(s) has reviewed and understands all pages of this Purchase
471 Agreement.

472 ☐ **If checked, this Purchase Agreement is subject to attached COUNTEROFFER ADDENDUM.**

473 Builder’s signature authorizes closing agent to obtain applicable mortgage information (i.e., mortgage balance, interest
474 rate, payoff and/or assumption figures, etc.).

475 _____
476 Builder Signature Date Builder Signature Date

477 **THIS IS A LEGAL AND BINDING CONTRACT BETWEEN BUYER(S) AND BUILDER(S). BUYER(S) AND BUILDER(S)**
478 **HAVE A RIGHT TO SEEK LEGAL AND TAX ADVICE.**

479 ☐ **If checked and initialed, Builder(s) rejects this offer. Builder(s) Initials** _____